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Philip M. Weiss, Esq. Weiss & Weiss Suite 251 300 Old Country Road Mineola, NY 11501		ROSEN, NICHOLAS D		
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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/755,488  
Filing Date: January 05, 2001  
Appellant(s): HOFFMAN, ROGER P.

Philip M. Weiss  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed December 27, 2007, appealing from the  
Office action mailed May 30, 2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct. (There are no such amendments.)

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

5,758,328	GIOVANNOLI	05-1998
6,598,027	BREEN et al.	07-2003

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Baatz, E., "An Auction with the Buyer Completely in Charge," Purchasing, October 21, 1999, pages S56, S58, S61.

Anon., "Western Energy, Inc. Acquires 51% of GETBIDS.COM," PR Newswire, p. 6167, June 9, 1999.

Feldman, R., "Customer Service Is Prime Spot for ISDN," MIS Week, Vol. 9, No. 1, p. 1, January 4, 1988.

Anon., "Robertson, Stephens Founder Sanford R. 'Sandy' Robertson Invests in LIMITrader Securities; Takes Stake in New York Firm Pioneering Electronic Bond Trading," Business Wire, May 12, 1999.

#### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

#### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

#### **Claims 1-7, 19, and 20**

Claims 1 and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz ("An Auction with the Buyer Completely in Charge") in view of the anonymous article, "Western Energy, Inc., Acquires 51% of GETBIDS.COM," hereinafter "Western Energy." As per claim 1, Baatz discloses a method for a buyer to request a quotation,

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the method comprising: inputting or choosing attributes of a specific product into a database (second and third columns on page S58); inputting the quantity of product (ibid., and first column on S61); inputting delivery specifications (second column on page S58); selecting suppliers to whom to submit the request for quotation (third column on S58); and submitting said request for quotation to said suppliers (third column on S58). Baatz is not explicit about the database as such, but the disclosure of the retention and availability of information inherently requires a database of some sort, while the disclosed online interaction suggests an electronic database. Baatz does not disclose a buyer directly selecting suppliers to whom to submit a request for quotation, but "Western Energy" teaches this (first paragraph). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the buyer to directly select suppliers to whom to submit a request for quotation, for the obvious advantage of enabling the buyer to select any suppliers (at least, any suppliers from a list) whom the buyer considers suitable, while excluding any suppliers whom the buyer may consider unsuitable (e.g., because of previous bad experiences).

As per claim 6, Baatz discloses that said request for quotation has an expiration mechanism ("time limit for bidding (as specified by the buyer)") in the third column of page S58).

Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and "Western Energy" as applied to claim 1 above, and further in view of official notice. Baatz does not disclose that the quotation (or request for quotation) is submitted to the

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suppliers via a wireless method, but official notice is taken that it is well known for information to be transmitted via wireless methods (e.g., to and from cell phones, microwave transmission of Internet data, etc.). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the request for quotation to be submitted to the suppliers via a wireless method, for the obvious advantage of making the request for quotation readily available to suppliers in contact with a communications network at least in part via wireless means.

Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and "Western Energy" as applied to claim 1 above, and further in view of Breen, Jr., et al. (U.S. Patent 6,598,027). Baatz does not disclose the supplier analyzing said quotation with a logistics database to provide freight quotes, but Breen teaches a database accessible to a supplier for providing freight quotes to suppliers and buyers (column 7, lines 19-64; column 10, lines 37-39). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the supplier to analyze said quotation with a logistics database to provide freight quotes, for the obvious advantage of enabling the supplier to set appropriate bids including freight costs.

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and "Western Energy" as applied to claim 1 above, and further in view of Giovannoli (U.S. Patent 5,758,328). Baatz does not disclose that at least one of the suppliers provides a quotation directly to the buyer, but Giovannoli teaches a rather similar system in which suppliers can provide quotations directly to the buyer (column 2, line 65, through column

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3, line 4). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for at least one of the suppliers provides a quotation directly to the buyer, for the obvious advantage of allowing the buyer to select, if he so chooses, from all quotations which any suppliers care to send in response to the buyer's RFQ, and select the most advantageous quotation on whatever basis or bases the buyer wishes.

Claims 5 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz, "Western Energy," and Giovannoli as applied to claim 4 above, and further in view of official notice. As per claim 5, Claim 5 is held to be obvious for essentially the reasons set forth above regarding claim 2.

As per claim 7, Baatz discloses comparing quotations from different suppliers (third column of page S58; first column of page S61), but does not expressly disclose that this is done with regard to the attributes of a specific product, the quantity of the product, and the delivery specifications. However, Baatz discloses introducing the three lowest bidders to the buyer, rather than simply selecting the lowest (page S58, column 3), implying that decisions may be made on the basis of factors other than price, and Baatz discloses an RFQ for a particular quantity of a specific product, to be delivered to different cities (page S61, first column), implying evaluating quotes on such criteria. Official notice is taken that it is well known to compare quotes from different suppliers on such bases as specific attributes, quantity, and delivery specifications. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to compare the quotation from at least one supplier to

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quotations from other suppliers with regard to these factors, for the obvious advantage of choosing the most suitable supplier for the buyer's wants.

Claims 19 and 20 rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and "Western Energy" as applied to claim 1 above, and further in view of official notice. As per claim 19, Baatz does not disclose copying agreed upon terms into a purchase order, but Baatz does teach carrying out a purchase after a supplier has submitted terms, and been accepted by the buyer (third column of S58; page S61); and official notice is taken that it is well known to copy information. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to copy agreed upon terms into a purchase order, for the obvious advantage of arranging and documenting a purchase according to agreed upon terms, without the trouble of rewriting the same information.

As per claim 20, claim 20 recites essentially the same elements as claim 7, and is rejected on the same grounds as claim 7, as set forth above.

### **Claims 8, 11, and 14-18**

Claims 8 and 15-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz in view of Feldman ("Customer Service Is Prime Spot for ISDN") and official notice. As per claim 8, Baatz discloses a system for a buyer to request a quotation, the system comprising: a request for quotation form (second column on page S58); and a means for delivering said request for quotation form to a seller (second and third columns on page S58). Baatz discloses storing quotations from sellers; and allowing the buyer to compare said quotations (second and third columns on page S58). Baatz

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is not explicit about the system comprising a database as such, but the disclosure of the retention and availability of information inherently requires at least one database of some sort. Baatz does not expressly disclose that said request for quotation form comprises a list of product specifications, but does disclose that, "The item as well as payment and delivery terms must be specified precisely," and discloses "a form online with detailed questions for the buyer to answer about the RFQ." Official notice is taken that lists are well known for specifying pluralities of details. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the form to comprise such a list, for the obvious advantage of making the various specifications conveniently available to potential sellers.

Arguably, Baatz discloses a means for delivering said request for quotation form to a seller directly (second and third columns on page S58), in that the RFQ form is delivered directly from Sorcity to the sellers. On the interpretation that the RFQ form must be delivered directly from the buyer to a seller, Baatz does not disclose this, but it is well known to send RFQ's directly from buyers to sellers, as taught, for example, by Feldman (three paragraphs beginning from "In companies with multiple supply sources"). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to deliver the RFQ form to the seller directly, for the obvious implied advantage of speeding and simplifying the "third most wanted application" of procurement.

As per claim 15, Baatz does not disclose a system for performing a credit check of a buyer (although Baatz does disclose asking for detailed information about buyers,

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first column of page S58), but official notice is taken that performing credit checks on buyers is well known. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include such a system, for the obvious advantage of not selling valuable items to insolvent or untrustworthy purchasers.

As per claim 16, Baatz does not disclose a database of buyer credit profiles (although Baatz does disclose asking for detailed information about buyers, first column of page S58), but official notice is taken that maintaining such buyer credit profiles is well known. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include a database of buyer credit profiles in the system, for the obvious advantage of judging the creditworthiness of buyers, and not selling valuable items to insolvent or untrustworthy purchasers.

As per claim 17, Baatz does not disclose a database comprising a listing of previous sales, but official notice is taken that it is well known to maintain records of previous sales. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the system to comprise a database comprising a listing of previous sales, for such obvious advantages as checking sellers' records of delivering products as advertised and on schedule, and buyers' records of paying as promised.

As per claim 18, Baatz does not disclose a searchable database of buyer/seller quote history, but does disclose that buyers can watch the bidding process (third column on page S58), showing that a quote history is maintained to some degree; and

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official notice is taken that searchable databases are well known. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the system to include a searchable database of buyer/seller quote history, for such obvious advantages as resolving any disputes that may arise on bidding, and analyzing the operations of the system with a view toward improvements.

Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, and official notice, as applied to claim 8 above, and further in view of Breen, Jr., et al. (U.S. Patent 6,598,027). Claim 11 is essentially parallel to claim 3, and rejected on the same grounds set forth above in rejecting claim 3.

Claim 14 is rejected under 35 U.S.C. 103(a) as being unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, and official notice, as applied to claim 8 above, and further in view of the article, "Robertson, Stephens Founder Sanford R. 'Sandy' Robertson Invests in LIMITrader Securities; Takes Stake in New York Firm Pioneering Electronic Bond Trading," hereinafter "Robertson". Baatz does not disclose that the system comprises a secured chat room, but "Robertson" teaches a trading system including a secure chat room for the buyer and seller to negotiate in (paragraph beginning "LIMITrader.com's online bond trading solution"). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include a secured chat room, for the stated advantage of facilitating negotiations between the buyer and the seller.

It is noted that claim 8 uses "means for" language. Nonetheless, it is not treated as invoking 35 U.S.C. 112, sixth paragraph. If Applicant wishes to invoke 35 U.S.C. 112, sixth paragraph, Applicant should provide an explicit statement to that effect. 35 U.S.C. 112, sixth paragraph states:

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

#### **(10) Response to Argument**

The issue is whether Appellant's claims are obvious in view of Baatz's article describing the Sorcity system, and further in view of secondary references, as set forth above. In this system, buyers prepare requests for quotation describing what they wish to buy; Sorcity then communicates the RFQ's to relevant suppliers by e-mail, receives bids from suppliers, and introduces the three lowest bidders to the buyer. Appellant argues that Baatz cannot be combined with the system of the "Western Energy" article, which teaches buyers selecting suitable suppliers to receive RFQ's. In particular, Appellant argues that the buyer and seller using Sorcity cannot communicate directly until Sorcity is paid its 2% commission, and writes, "[T]his is stated on the bottom of S58 and the top of S61."

Examiner does not agree, and calls attention to what Baatz actually discloses on the bottom of S58 and the top of S61, namely, "Only after the buyer selects the winning bid and confirms the selection with Sorcity is the 2% commission then collected from the

seller. The buyers and seller then exchange product and settlement independent of Sorcity."

All that is taught here is that after the buyer selects the winning bidder (from the three low bids presented to the buyer by Sorcity), Sorcity collects its commission. There is no teaching or requirement that the buyer and sellers cannot communicate before the buyer makes his selection, or before the three low bids are presented. Even if there were such a requirement, and Sorcity did not facilitate any communication between the buyer and the suppliers, there would be no conflict between this and letting buyer select suppliers to whom to submit a request for quotation. The buyer might already be aware of (some) qualified suppliers, or the buyer might pick out promising suppliers from a list provided by Sorcity, and tell Sorcity, "Please submit my RFQ to these suppliers as well as – or even instead of – any other suppliers whom you judge to be relevant." Sorcity could then submit the RFQ to the selected sellers, and communicate the three lowest bids to the buyer, who would then select one, all without any direct communication between the buyer and the suppliers until after the wining bidder was selected. Thus, one could implement the method disclosed by Baatz with the additional step recited in claim 1 (and taught by "Western Energy") without any conflict or contradiction.

Appellant argues that Baatz requires the middle man or broker approach because that is how Sorcity gets paid, and therefore, that Baatz cannot be modified with Western Energy, because that would take out the payment system. Examiner replies that while communication between the buyer and potential sellers might enable them to reach private deals, cheating Sorcity out of its commission, there are at least four

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counterarguments. First, as set forth in the preceding paragraph, letting a buyer select suppliers to whom to submit an RFQ is not the same as communication between the buyer and the suppliers. Secondly, even with communication between the buyer and the suppliers, they would not necessarily make private deals to cheat Sorcity of its brokerage commission. They might be more honorable than that. They could be required to sign contracts undertaking not to do so, and sued if they violated those contracts. They could also be blacklisted from further dealings through the broker, and otherwise suffer from a reputation for unethical business practices. If a supplier proposed to a buyer that they reach a private agreement, bypassing the broker and not paying its commission, the buyer might well refuse on the grounds that a supplier willing to cheat the broker would be likely to cheat the buyer next. Also, if a supplier proposed a private deal with the buyer while the bids were still being received at Sorcity, the buyer might well wait to find if some other supplier made a lower bid through Sorcity. Thirdly, to have enjoyed the success which Baatz describes, Sorcity must have provided benefits to its participants. Buyers and suppliers remained entirely free to find and communicate with each other directly without involving Sorcity at all, which was certainly done long before Sorcity was founded in 1999. For Sorcity to have enticed 600,000 suppliers to participate on the site, as Baatz discloses, those suppliers must have seen advantages to using Sorcity, despite the commissions they had to pay. Fourthly, "Western Energy" also describes a system for providing buyers' RFQ's to suppliers, but the inventors of the GETBIDS system described in "Western Energy" evidently did not share Appellant's view that letting buyers select suppliers would pose a grave problem.

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"Western Energy" teaches that the GETBIDS system has buyers select sellers, and nonetheless collects commissions or processing fees (these may be out from all sellers' bids, not just the winning bids). Therefore, the Sorcity system disclosed by Baatz definitely can be modified in accordance with the GETBIDS system taught by "Western Energy."

Regarding claims 2 and 3, Appellant only argues that they should be allowed because they depend from claim 1. Regarding claim 4, Appellant also argues that Baatz cannot be combined with Giovannoli, but the reason given is the same, that Baatz does not let the buyers and suppliers speak directly, a contention which Examiner has already addressed. Regarding claim 5 (although this is really based on the limitation of claim 4, from which claim 5 depends), Appellant argues against combining Baatz with "Western Energy" or Giovannoli. Examiner replies that his counterarguments as given above largely apply to Giovannoli as well as "Western Energy."

Regarding claim 7, which recites comparing a quotation received by the buyer to quotations from other suppliers with regard to attributes of a specific product, the quantity of product, and the delivery specifications, Appellant argues that Baatz does not discuss any such comparisons, only comparison of bid amounts. Examiner replies that Baatz does disclose the Sorcity system providing the three lowest bids to the buyer, instead of simply providing the lowest. This implies that the buyer may wish to make a decision on some basis other than which bid is lowest, and untraversed official notice was taken that it is well known to compare quotes from different suppliers on such bases as specific attributes, quantity, and delivery specifications. While Baatz does not

disclose the Sorcity system performing comparisons on any basis other than bid price, it is strongly implied that buyers would sometimes do so. Otherwise, Sorcity would simply select the lowest bid, rather than presenting the lowest three bids to the buyer to make a decision. And claims 4 and 7 recite that a quotation provided to the buyer is compared to quotations from other suppliers on the basis of attributes other than price.

Claim 19 recites copying agreed upon terms into a purchase order, which was rejected based on Baatz, "Western Energy," and Examiner's official notice that it is well known to copy information. Appellant argues that in Baatz, once the buyer selects the winning bid and confirms the selection with Sorcity, the buyer and seller exchange settlement terms independent of Sorcity. Examiner notes that what Baatz actually discloses (beginning of page S61) is that once the buyer selects the winning bid and confirms the selection with Sorcity, the buyer and seller "then exchange product and settlement independent of Sorcity." This appears to refer to the actual product, and the payment from the buyer by which the contract is settled, rather than the terms of the settlement.

Appellant writes, "Therefore, Baatz does not teach carrying out a purchase after a supplier has submitted terms and has been accepted by the buyer." Examiner replies that read in light of Baatz's article, this statement is outright bizarre. Appellant next writes, "Further, there is not Official Notice to show that such information is exchanged as described in the claims of the patent." Examiner replies that regarding claim 19, untraversed official notice was taken that it is well known to copy information. Claim 19 recites copying agreed upon terms into a purchase order, not exchanging information,

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as such, so it is difficult to be certain precisely what point Appellant is attempting to make.

Regarding claim 20, which is similar to claim 7, although broader, Appellant argues that Baatz only discloses teaches comparing bids by price. Examiner replies that Baatz discloses the system selecting the three lowest bids, not just one, enabling the buyer to make a rating and final selection on a basis other than price. If price were always the only consideration, it would be simpler to have Sorcity select the one lowest bid, which is not what Baatz discloses.

Regarding claim 8, Appellant argues that Baatz cannot be combined with Feldman because Baatz allegedly teaches away from the buyer and seller directly communicating with each other. Examiner reiterates the arguments which he has set forth above.

Regarding claim 15, which recites a system for performing a credit check of a buyer, Appellant notes (accurately) that Baatz states that the only party in the transaction that has to share a credit card number is the seller. Appellant then concludes, "Therefore, the only party which is having its credit checked is the seller, not the buyer." Examiner replies that this is a *non sequitur*. Baatz discloses, in the first column of page S58, that when a buyer signs up with Sorcity, "Sorcity asks for detailed information like the company's DUNS number and validates addresses and bids. 'We have to make sure the member is a valid buyer,' says Guillemaud. 'We don't want any 13-year-olds participating in bids.'" Examiner notes that this surely qualifies as checking

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up on buyers, and performing credit checks, as such, is well known, a point of which Examiner took untraversed official notice.

Claim 16 recites a database of credit profiles. Appellant essentially reiterates his argument for claim 15; Examiner reiterates his.

As regards claim 17, Appellant states that Baatz does not teach storing a listing of previous sales, which is true, but does not support Appellant's conclusion that such a feature is not obvious. Elements which are not anticipated by the primary reference can still be obvious.

As regards claim 18, Examiner noted that Baatz discloses that buyers can watch the bidding process (third column on page S58), which shows that a quote history is maintained to some degree, and took untraversed official notice that searchable databases are well known. Appellant argues that this does not allow a separate buyer and a separate seller to understand the terms of other buyers and sellers. Examiner replies that, first, a more accurate statement would be, "This does not teach that a separate buyer and a separate seller are enabled to search the terms of other buyers and sellers," and secondly, this not what claim 18 recites. It is Examiner's duty to give claim language the broadest reasonable interpretation, not to read in limitations not recited in the claims. In saying so, Examiner specifically does not concede that claim 18 would necessarily be allowable if it in fact recited what Appellant's argument implies that it should be treated as reciting.

Appellant argues in regard to claim 11 what Appellant has already argued with regard to claim 8, that Baatz cannot be combined with Feldman because Baatz

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allegedly teaches away for the buyer and the seller directly communicating with each other. Examiner reiterates his own arguments, as reiterated regarding claim 8, and originally set forth regarding claim 1. Finally, Examiner reiterates his arguments once again for claim 14, in response to Appellant once again asserting that there is no communication between buyer and seller.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

*Nicholas D. Rosen*

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